



Advanced
Biofuels
Association



Airlines for America™
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December 2, 2011

The Honorable Daniel Inouye
Chairman
Committee on Appropriations
United States Senate

The Honorable Thad Cochran
Ranking Member
Committee on Appropriations
United States Senate

The Honorable Dianne Feinstein
Chairwoman
Energy and Water Development
Subcommittee,
Committee on Appropriation
United States Senate

The Honorable Lamar Alexander
Ranking Member
Energy and Water Development
Subcommittee,
Committee on Appropriation
United States Senate

Dear Senators Inouye, Feinstein, Cochran and Alexander:

We are writing to encourage you to support funding that would help carry out the memorandum of understanding (MOU) signed recently by the Departments of the Navy, Energy and Agriculture. The MOU would pledge a federal investment of \$510 million, in partnership with the private sector, to advance the commercialization of advanced drop-in aviation and marine biofuels to help power military and commercial transportation. Under the terms of the MOU, \$170 million would be provided by each participating federal agency. This initiative would bring to market demonstrated alternative fuels and feedstocks technologies for the benefit of American national and energy security.

As the 2010 Quadrennial Defense Review notes, the U.S. Navy, other branches of the military, and the nation as a whole, face a significant national security threat from our dependence on foreign sources of energy. This threat can be significantly reduced with an ample supply of U.S. advanced biofuels. The nation's advanced drop-in biofuels developers are poised to address this security imperative, but are limited by the severely constrained market for private capital for first-of-a-kind biorefinery projects.

While there is substantial private investment in the development of the U.S. advanced biofuels industry, federal support pursuant to the MOU would significantly accelerate the production of the volumes necessary to meet the energy security needs of the U.S. military, and would provide the necessary validation of emerging technologies to unlock private investment in future advanced biofuels production for civilian and military markets. For these reasons, we respectfully ask that the following Senate language regarding the MOU be included in the final version of the Fiscal Year 2012 Energy and Water Appropriations Bill:

“Provided further, That of the amount appropriated, the Secretary may use not more than \$170,000,000 for activities of the Department of Energy pursuant to the Defense Production Act of 1950 (50 U.S.C. App. 2061, et seq.)”

Thank you for your consideration. Please do not hesitate to contact us with any questions.



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